

## **2014-110 AUDIT SCOPE AND OBJECTIVES**

### **California Department of Resources, Recycling and Recovery—Beverage Container Recycling Program**

#### **AUDIT SCOPE AND OBJECTIVES**

The audit by the California State Auditor (state auditor) will provide independently developed and verified information related to the performance and anti-fraud measures within the California Department of Resources Recycling and Recovery's (CalRecycle) Beverage Container Recycling Program (beverage program) and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. For the past three fiscal years, evaluate the financial condition of the beverage program.
3. Assess the effectiveness of the current methods for identifying and addressing fraud, including practices to prevent, detect, and deter fraud.
4. Review and assess the current policies and procedures to identify beverage distributors and whether the beverage program's practice for collecting fees and redemption payments from the distributors is effective.
5. For the most recent year available, review a sample of completed beverage distributor audits to evaluate their adequacy and timeliness, and the subsequent collection of all associated fees owed to the beverage fund.
6. To the extent possible, identify any beverage program improvements designed to increase revenues and reduce costs and expenditures to the Beverage Container Recycling Fund without raising distributor fees.
7. Evaluate the effectiveness of any changes made from recommendations in the state auditor's June 2010 audit report, including the status of implementing any outstanding recommendations.
8. Review and assess any other issues that are significant to the audit.